



The Foreign-Trade Zones Board

Application for Manufacturing Subzone

An application letter (as described below) and this form – with **attachments**, as described in several sections below – meet the FTZ Board's application requirements. A sample completed application on our web site gives an idea of the type of information needed. If you have questions, please contact the FTZ Board staff at (202) 482-2862.

The FTZ Regulations place the burden of proof on the applicant, so please respond to each item completely based on the information available to you. (This form includes a continuation page if you need extra space to answer questions completely.) Note that for industry/market information, you may rely on your expert knowledge of the industry in addition to traditional, published resources.

APPLICATION LETTER **including Executive Summary**

1. This application form, when completed, will constitute the "exhibits" for your application. The core of the application is the required letter from the FTZ grantee¹ transmitting the application form (exhibits) to the FTZ Board. The letter from the grantee should identify your company and summarize the subzone sites, proposed FTZ activity, and why approval of that activity would be beneficial for the United States overall.

ECONOMIC JUSTIFICATION

2. Explain in detail why approval of a FTZ manufacturing subzone for your company would be beneficial overall to the United States:

¹ The letter must be currently dated and signed by an authorized officer of the grantee corporation.

3. Describe problems, challenges or strengths facing your company and the U.S. industry. (For example, have production, employment, and operating profits been falling or rising? Have there been changes in the cost of raw materials? Also address any other relevant factors.)
4. List total employment company-wide: _____ and total employment at your proposed subzone: _____
5. How has your company's and plant's employment changed in the last 5 years?
6. Will FTZ-related savings likely lead to increased, stable, or decreased employment at your proposed subzone? Explain:
7. Briefly describe the specific manufacturing activity which you are seeking to conduct under FTZ procedures. (You will provide more detailed information relating to your requested FTZ manufacturing authority in the "Products and Components" section below.)

8. Discuss why your operation cannot be accommodated in your area's public FTZ facilities:
9. Does your company have other plants – in the U.S. or overseas – that conduct the same activity or similar activity? (If yes to either, please list the other plants' locations and explain.)
10. What is the percent of U.S. value added (i.e., the difference between the value of foreign components received at the subzone and the value of finished products shipped from the subzone) for the products you want to produce under FTZ procedures? _____%
11. By value, what percent of your production inputs are imported? _____%
12. Are the components that you purchase from abroad also available from U.S. suppliers (if yes, why are you unable to obtain those components domestically)? Explain.
13. Will FTZ -related savings affect your company's purchasing patterns? Explain.
14. What is the current annual production capacity at the plant for which you are seeking FTZ authority? (Indicate the units of measure used.) _____
15. What is your company's current share of the U.S. market for the type of products you want to make under FTZ procedures? _____ % (approximate)
16. List your major competitors in the U.S. market and their approximate U.S. market shares.

17. Are your competitors producing in the U.S. or abroad? Explain and give specific examples.
18. What is imports' share of the U.S. market for the type of products you want to make under FTZ procedures? _____ % (approximate)
19. Has imports' share of the U.S. market changed in the past 5-10 years? How? Why?
20. How would approval of your proposed manufacturing under FTZ procedures affect your domestic competitors?
21. Are the purchasing patterns of competing domestic manufacturers similar to your company's?
22. If you are granted authority to manufacture under FTZ procedures, would the other U.S. manufacturers be likely to seek access to zone procedures? Explain.
23. What are the competitive factors in your industry? Any other factors unique to your industry?

24. What percent of your production of the products you want to make under FTZ procedures is sold to export markets? _____ % (approximate)
25. Do you know your approximate share of the world-wide market for the products you want to make under FTZ procedures? Yes ____ No ____ If yes, list it. _____ %
26. List your major competitors in the world market and their approximate world market shares.
27. Briefly describe your company's background and current situation (including annual sales value or other indicator(s) of company's size and scope of operations).
28. Please list the main internet address(es) for information about your company and product(s).
29. Are you aware of any studies or reports that have been done recently regarding your industry or industry sector? If yes, please list the titles and authors/publishers below – you do not need to submit the studies/reports with the application. Note: The FTZ Staff may later ask for your assistance in obtaining a copy of these publications as part of the Staff's case-related research.

➤ **FTZ-RELATED SAVINGS:**

30. What are your total estimated annual FTZ-related savings:
31. Provide the percentage breakdown for those savings into the following categories:
- | | |
|-----------------------------------|---------|
| Logistical/Paperwork ¹ | _____ % |
| Inverted Tariff | _____ % |
| Exports | _____ % |

¹ e.g., Merchandise Processing Fee, broker/handling fees, weekly entry

Duty Deferral _____%

Scrap/Waste _____%

32. Provide any additional explanation or special features of the above savings that may be relevant to the review or implementation of zone procedures (*e.g.*, formulas, Customs rulings, scrap as percentage of imported product).

33. Provide an estimated cost figure for operating your proposed subzone each year. (Components of your annual operating cost could include record keeping/inventory control, fees to the zone grantee, etc.) \$ _____ per year.

34. A small number of states (*e.g.*, Texas, Ohio) assess local taxes on business inventories. The Foreign-Trade Zones Act allows states to exempt merchandise from such taxes in FTZs. Does your state have an inventory tax or "personal property tax" for which collections will be affected by your proposed FTZ manufacturing authority? Yes ____ No ____

If yes:

- a. Explain and give an estimated amount for projected annual FTZ-related savings:

AND

- b. Attach correspondence from the affected parties (*e.g.*, local school board) indicating their views on the impact of your proposed activity.

SITE DESCRIPTIONS

► SUBZONE SITE(S)

35. For each site of your proposed subzone, complete a site-information box below:

<div>SITE # _____</div> <div>Address:</div> <div></div> <div></div> <div>Site Acreage:</div> <div>Sq. Ft. of Enclosed Space:</div> <div>Description of Buildings:</div> <div></div> <div></div> <div>Current or Planned Activities:</div> <div></div> <div>Do you own this site? Yes ____ No ____</div>	<div>SITE # _____</div> <div>Address:</div> <div></div> <div></div> <div>Site Acreage:</div> <div>Sq. Ft. of Enclosed Space:</div> <div>Description of Buildings:</div> <div></div> <div></div> <div>Current or Planned Activities:</div> <div></div> <div>Do you own this site? Yes ____ No ____</div>
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36. Provide a "Legal Descriptions" **attachment** with the appropriate legal description for each site (with labels tying each description to the site number from the site-information boxes).

➤ **CBP ADJACENCY**

37. Is your proposed subzone adjacent to a U.S. Customs and Border Protection port of entry, or have you discussed with CBP an alternative oversight procedure? Explain.

➤ **ENVIRONMENTAL IMPACT**

38. For your proposed subzone site(s), indicate local zoning and status of any applications for construction approvals:
39. Are there any land use issues relating to your proposed site(s)? Will the use of FTZ procedures change the physical aspects of the plant or its operation? If yes, explain.
40. Is FTZ status or the use of FTZ procedures a requirement or a precondition for the proposed activity or construction at the plant? If yes, explain.

MAPS

Provide a "Maps" **attachment** with the following items:

41. Provide a local/state map indicating the location of the subzone site(s).

42. For each site of your proposed subzone, you must provide a detailed street map.
43. For each subzone site, you must provide a detailed drawing of that site showing zone boundaries in red with dimensions.

OPERATION AND FINANCING

44. For any proposed subzone sites that you do not own, provide a "Site Ownership" **attachment** with documentation demonstrating your right to use the sites in question.
45. Describe the physical security measures that you will use for your subzone sites.
46. Do you commit to work with Customs & Border Protection, as appropriate, to meet future CBP requirements for its automated systems (e.g., ACS, ACE)? Yes ____ No ____

LEGAL AUTHORITY FOR APPLICATION

47. Indicate with a check mark below which of the two alternatives you are submitting:
- a. ____ Provide a reference to an application from the same grantee within the last five years which included copies of: 1) the state's enabling legislation and 2) pertinent sections of the zone grantee's charter or organization papers (along with evidence of current standing for grantees that are non-public corporations). Also indicate that there has been no change in those documents since the submission of that earlier application:

OR

- b. ____ Attach as part of "Appendix 1" to this application: 1) a certified copy of the state enabling legislation regarding FTZs and 2) pertinent sections1 of the zone grantee's charter or organization papers, along with evidence of current standing for grantees that are non-public corporations.

48. In the "Legal Authority for Application" **attachment**, include a certified copy of a resolution authorizing the grantee official to sign the application.

PRODUCTS AND COMPONENTS

49. Describe in detail the specific manufacturing activity – including the main products and components – which you are seeking to conduct under FTZ procedures.

50. Pursuant to the definition of "primary" components below, do you have components/inputs that are subject to antidumping ("AD") or countervailing duty ("CVD") duties? Are any of the components subject to quantitative restrictions (quotas)? Are you aware of any other trade-related issues affecting any of the components? If yes to any of these questions, explain.

CONTINUATION PAGE: You may use this page to continue any answer(s) for which you did not have adequate space in the box(es) provided above. Please precede any continued answer with the number of the question to which it pertains.

CLICK HERE TO ADD ANOTHER CONTINUATION PAGE

ATTACHMENT: PRODUCTS AND COMPONENTS

PRIMARY SCOPE OF PROPOSED MANUFACTURING UNDER FTZ PROCEDURES

The information in this section will establish the "primary" scope of finished products and imported components/inputs that you propose for manufacturing under FTZ procedures, which should include:

1) the range of finished products and foreign-status inputs which your company plans to use in manufacturing under FTZ procedures and 2) finished products and foreign-sourced inputs that you believe that there is a significant likelihood that you will need to use for FTZ manufacturing.

- **FINISHED PRODUCTS** – List the products for which you are requesting manufacturing authority under FTZ procedures.

Product Description	HTSUS (6 Digit)	Duty rate
AA.		
AB.		
AC.		
AD.		
AE.		
AF.		
AG.		
AH.		
AI.		
AJ.		
AK.		
AL.		
AM.		
AN.		
AO.		
AP.		
AQ.		
AR.		
AS.		
AT.		
AW.		
AX.		
AY.		
AZ.		

BA.

BB.

BC.

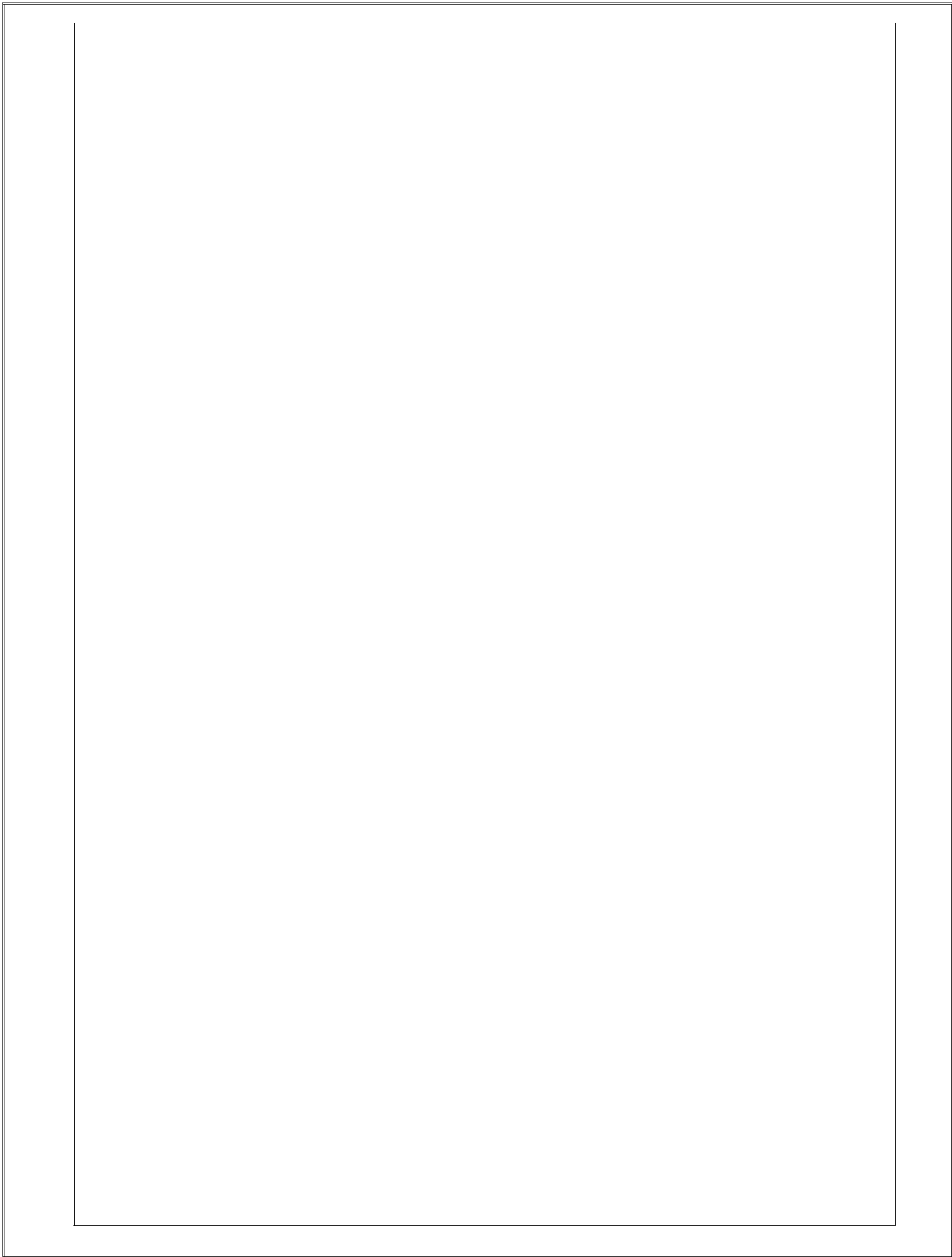
BD.

BE.

BF.

- **INPUTS** – List the production inputs for which you are requesting manufacturing authority.
(Please note that all inputs that are subject to AD/CVD duties must be admitted to the zone in "privileged foreign" status.)

Input Description	6-digit HTSUS	Current duty rate	Letters of associated finished product(s) above (AA-BF)
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**OPTIONAL: SECONDARY SCOPE OF PROPOSED
MANUFACTURING UNDER FTZ PROCEDURES**

You may complete this optional section to establish a "secondary" scope for products and foreign-status inputs for which your company has no current manufacturing plans but which it may ultimately need to use in manufacturing under FTZ procedures. The intent of allowing a secondary scope is to give companies short-term flexibility to react quickly to new marketplace opportunities. As such, you would be able to use products and inputs from your secondary scope without limitation as soon as you submit to the FTZ Board an application for "expansion of authority" for those products (Note: there is a simple form for that expansion application). In the absence of an expansion application, products and inputs listed in the secondary scope should not account for a significant amount of your company's FTZ-related savings.

➤ **ACCEPTANCE OF LIMITATIONS OF SECONDARY SCOPE**

- Do you understand that the finished products and inputs listed in this section as a secondary scope: 1) are not items for which your company currently has definite plans for manufacturing under FTZ procedures and 2) may not account for a significant amount of your company's FTZ-related savings (unless you submit an application to the FTZ Board to expand your primary scope to include the products and inputs at issue)? Yes ____ No ____

➤ **SECONDARY FINISHED PRODUCTS** – List the products for your secondary scope for subzone manufacturing authority.

Product Description	HTSUS (4 Digit)	Current duty rate(s)

